

Introducing the New Third Rail: Immigration

Rising illegal immigration spells big trouble, but what's a politician to do?

by Geoffrey Colvin

When thousands of Californians refused to go to work one day in mid-December, and thousands more kept their kids home from school, it was all because Governor Schwarzenegger had barely brushed the new third rail of American politics. While Social Security is conventionally the third rail (touch it and you die), nearly all politicians of all parties would endure the agony of remaining silent for an entire day rather than say a word about one increasingly high-voltage issue: illegal immigrants. Trouble is, like Arnold, they'll soon have no choice.

Schwarzenegger's sin was making good on a campaign promise by signing a bill that he had proposed and the Democratic legislature had passed

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overwhelmingly, preventing illegal immigrants from getting California driver's licenses. They couldn't get licenses anyway, but Governor Gray Davis, in his final days, had signed a measure that would have permitted it as of January. Losing that prize so incensed many of California's immigrants, illegal and legal (obviously excluding the one in the governor's mansion), that they attempted a statewide disruption of daily life.

There's the problem for politicians, whose first commandment is "exclude no one." Any action against illegal immigrants infuriates a lot of Hispanic voters, whom no one can afford to infuriate. Yet continued inaction is impossible.

The main reason is that illegal immigration increased hugely in the '90s. The illegal population is apparently around eight million, increasing by a half million a year. Perversely, a trumpeted toughening of border security may have made matters worse: Border patrols apprehend more people, but more people are trying to cross, so just as many get through as before — but now they stay longer because they know that if they leave the U.S., they might never get back in.

This is big trouble for a couple of reasons, the first being simple economics. Illegal immigrants don't pay taxes but do consume government services, especially medical care and education. By

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law, these services cannot be denied them. In fact, it's illegal for a hospital even to inquire about a patient's citizenship or immigration status.

In parts of the country with lots of illegal immigrants — the 24 U.S. counties that border Mexico, plus much of the rest of California — the situation is becoming debilitating. Senator Dianne Feinstein of California estimates medical costs for illegal immigrants are running about \$1 billion a year in her state; with superb political instincts, she's blaming no one and simply backing a bill to reimburse state and local hospitals with federal money. I spoke recently with an administrator of a Texas

hospital in a border county, and he says current rules imperil his hospital and drive him nuts. And by the way, he's not allowed to call immigrants illegal. They're undocumented.

The full economic effects are much wider. Employers who hire illegals pay them cash and thus evade employment taxes. They may also not report revenue from the work the illegals do and thus evade income taxes. Companies that compete with these employers must cut their own costs, mostly by paying their own workers (regardless of status) lower cash wages under the table, and the tax evasion spreads further.

A downward spiral begins. Government revenues decline while demand for government services goes up. The burden on taxpayers

grows heavier. They respond by finding their own ways to avoid taxes or simply by leaving, making the problem even worse.

Until recently this was mostly a theoretical worry, but the recent rapid increase in illegal immigrants is making it real — and not just in border states. Latest census data show illegal immigrants increasing fast in Iowa, North Carolina, and Georgia.

I said this was big trouble for a couple of reasons. Economics was the first. The second is deeper. The situation we've created mocks American laws and ideals. It tells working, taxpaying citizens and other legal residents with Social Security numbers that they're chumps. Go to the emergency room, and if you can't pay your bill,

the hospital can track you down and garnish your wages. But the illegal immigrant can't be tracked and doesn't pay the bill. You pay it, through your taxes. You dope.

The problem is so exquisitely complicated you get dizzy. The border is too big to barricade, and besides, isn't it a good thing when people come to America wanting to work hard? Of course, unless they're after your job. But hasn't virtually every business and consumer benefitted from all that cheap labor? And so on.

No wonder politicians refuse to go near this. But they'll have to. Hospitals in border states are closing. The taxpaying chumps are getting angry. The issue nobody wants to touch is about to make itself felt. •